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| <p>Tiivistelmä-Referat-Abstract</p> <p>Ten years have passed from the beginning of the transition process of centrally planned economies towards a market economic system. During this period a vast amount of literature has been produced on the topic. Now, it is possible to compare some of the main theoretical models dealing with different paths of reform and the empirical data that has been collected till the moment.</p> <p>The present work studies two different models dealing with the speed of reform.</p> <p>The first one is a comparative study between diverse approaches to the optimal speed of reform: the gradualist and the big-bang approach. The main result is that the gradualist approach will dominate over a big-bang one in the case the possibility of early reversal can be exercised positively. Later a critical assessment of the model is done.</p> <p>The second model studies the interactions between the speed of restructuring, the rate of private job creation and the level of unemployment. Its main results are the following: first, the speed of restructuring (expressed as the decreasing rate of jobs at the state sector) will equalise the rate of private job creation depending on the initial level of unemployment. Second, the speed of restructuring is endogenous and thus the government cannot directly decide it. Third, taking into account a forward-looking private sector, the lower the initial level of unemployment the higher the level of expectations concerning future profits, and fourth, there is an optimal speed of restructuring that is different from the endogenous speed. Later a critical assessment of the model is done based on the empirical economic data concerning Central and Eastern Europe countries, CIS and the Baltic countries.</p> <p>Finally, in the last part of the work a different approach to the topic of the speed of reform is presented: the gradualist big-bang approach. In this section it is argued that due to the high level of interdependence between the different reforms, they all should be implemented as fast as possible, taking into account at the same time, that the successful implementation of some of the reforms depends on the fact that some others are already in place or being implemented.</p> |  |  |  |
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